

United States Senate

WASHINGTON, DC 20510

February 24, 2010

The Honorable Harry Reid
U.S. Senate Majority Leader
Washington, D.C. 20510

Dear Majority Leader Reid,

We would like to thank you for your personal commitment to the extension of ARRA Medicaid ("FMAP") assistance and job creation. As you work to develop bipartisan legislative proposals that will help increase employment and rebuild our nation's economy, we strongly urge you to extend the critical FMAP assistance to states for an additional six months. The urgency for extending the FMAP provision, which expires in December, cannot be overstated. The Congressional Budget Office and Moody's.com agree that FMAP is one of the most effective tools to generate economic activity. We are deeply concerned that if the FMAP extension does not move with the extensions of unemployment insurance and COBRA there will be little – if any – chance for it to move in any subsequent jobs package before state legislatures approve their 2011 budgets.

States continue to deal with unprecedented budget shortfalls as result of declining tax revenues, high levels of unemployment, increasing poverty and declining wages. Most Governors will release their budgets in the coming weeks and we expect 30 state legislatures to be finished with their session by the end of May. It is estimated that states will have to close \$300 billion in budget deficits in fiscal years 2011 and 2012.

According to standard economic estimates, the budget closing actions that states have indicated they will take in the absence of additional fiscal relief could cost the economy up to 900,000 jobs and derail the fragile economic recovery. In addition, the January jobs report from the Bureau of Labor Statistics indicated that state and local governments accounted for a loss of 41,000 jobs from December to January. This trend is only expected to worsen in the coming months as states close budget gaps. For all of these reasons, the National Governors Association recently sent a bipartisan letter to House and Senate leadership urging an extension of the FMAP assistance for two additional quarters.

We urge you to include a six-month extension of the FMAP provision in upcoming legislation to extend unemployment insurance and COBRA benefits. This short-term extension will help states as they continue to grapple with this recession and protect against state budget actions in 2010 that would further weaken the economy and result in significant jobs losses. Thank you for your time and consideration, and we look forward to working with members on both sides of the aisle to get the economy back on track.

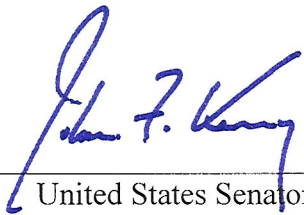
Best regards,



United States Senator

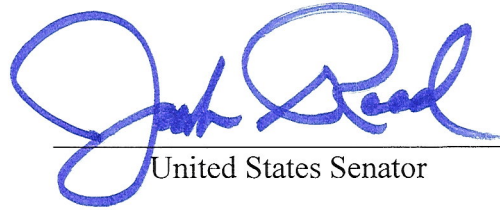


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John F. Kerry

United States Senator



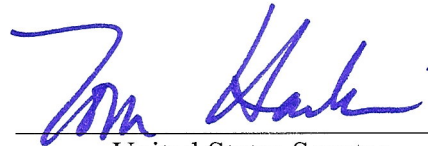
John Read

United States Senator



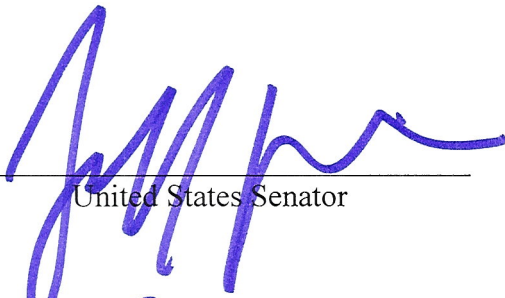
Al Franken

United States Senator



Tom Harkin

United States Senator



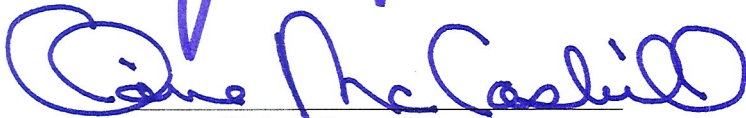
Jeff Merkley

United States Senator



Sherrod Brown

United States Senator



Mike McCaskill

United States Senator



Allen Saxe

United States Senator



Barbara Mikulski

United States Senator



Sherry Horne

United States Senator



Robert Menendez

United States Senator



Jeanne Shaheen

United States Senator



Ben Cardin

United States Senator



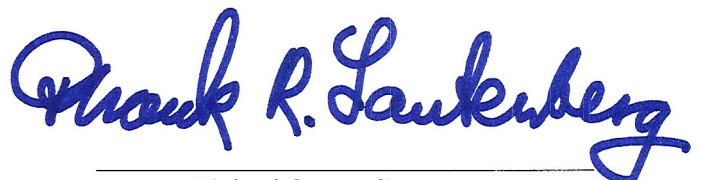
Herb Kohl

United States Senator



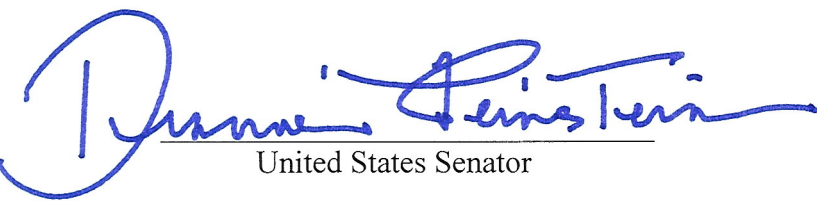
Chuck Schumer

United States Senator



Frank R. Lautenberg

United States Senator


United States Senator

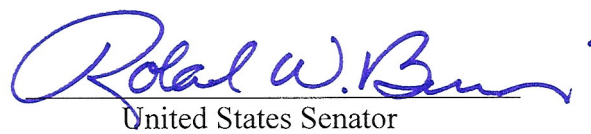

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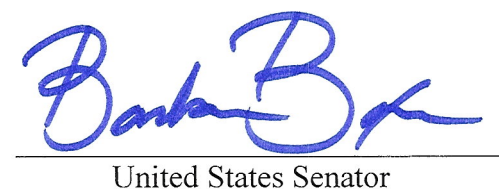

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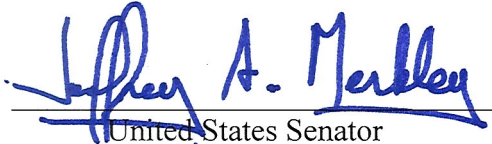

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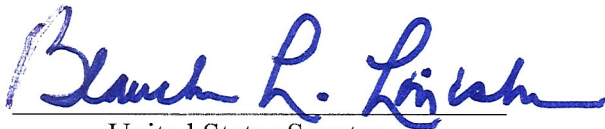
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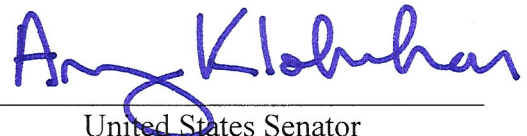
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